Jones simulates random investment distributions to arrive at an optimal selection of investments for a portfolio. The Jones simulation is based on statistical estimates and economic assumptions. There is no use of a comparison with different actual historical results that are randomly selected to predict future performance.

Turning now to Hendricks, it is important to note that the subject of Hendricks is the evaluation of value-at-risk models. The evaluation using historical data in Hendricks is a single point measurement. Stated another way, the historical information is represented in terms of percentiles based on all historical data. There is no random selection of multiple historical time intervals in the single value at risk calculation.

The presently claimed invention is a method for evaluating a financial plan that uses different, actual historical investment results. These different historical results are randomly selected. Specifically with respect to each independent claim, the historical time intervals are selected at least four different times, and are selected randomly. This random selection, Applicant submits, results in a very useful method of evaluation. The claimed method is based on actual performance and results. The claimed invention does not rely on statistical estimates, economic assumptions or single points in time.

In the Office Action, the Examiner relies on Hendricks to disclose the claim limitation of calculating changes of an investment value based on randomly selected historical events. While Applicant submits that Hendricks uses historical data in his calculation, there is no use of a particular, random series of historical time intervals to obtain a specific change in value. Instead, Hendricks uses an average of all historical results for each calculation as explicitly detailed on page 45 of Hendricks and as specifically referred to by the Examiner. Nowhere does Hendricks (or Jones) select specific, random historical time intervals and accompanying investment performance therein to calculate a change in investment value. Importantly, the claimed invention is a significant difference in investment evaluation philosophy. The present claims are directed to evaluation of financial plans using actual historical results - - not mathematically averaged, estimated or otherwise processed historical information.

The foregoing differences between the claimed invention and the cited Jones and Hendricks references are significant at a practical level. In accordance with the claimed invention, a consumer evaluating the financial advice that is rendered is able to consider that advice in a historical context. By understanding a financial plan in actual historical contexts, the client is able to better make an informed decision about the various confidence and risk factors associated with a proposed financial

plan. On the contrary, under the Jones or Hendricks calculations, no client is able to judge the underlying nature of the simulated economic environment. The only information available from Jones and Hendricks is information based on the simulations and summary data incorporated therein. A hypothetical example is helpful to further understand this distinction. Pursuant to the Jones simulation, alone or in combination with the Hendricks calculations, an investor might be told that there is a 90% probability of achieving their financial goals. Without understanding the simulations and other fundamental basis of calculation, this likelihood of achieving their goal may be unacceptable to a client. On the contrary, consistent with the claimed invention, the client may be made aware that the only historical environment that would compromise the ability to achieve an investment goal would be if a market crash of '29 occurred within the next 12 months, followed by the ensuing great depression, a '73-74 bear market, and a Kennedy assassination. While statistically possible, the context allows the client to more reasonably determine what the risks associated with a given portfolio means. The bottom line is that the claimed method for evaluating a financial plan is different from the disclosure of Jones and Hendricks. It is significantly different from those references, and in the opinion of Applicant, is superior to the teachings of those references.

Finally, Applicant submits that the combination of Jones and Hendricks is not justified. They are both in the field of financial analysis and advising. However, the methodologies in each reference are specifically incompatible. The forward looking calculation in Jones cannot be arbitrarily substituted with the historical analysis of Hendricks. Such a substitution in philosophy and calculation is incompatible with the teachings of both Jones and Hendricks. There is nothing to suggest that one of ordinary skill in the art would have modified the financial plan analysis of Jones by ignoring the teachings of Jones and adding the historical analysis of Hendricks.

For any one or more of the foregoing reasons, Applicant submits that the rejection of all of the claims of the present application is traversed. Favorable action is requested hereon.

The Commissioner is hereby authorized to charge any deficiencies in payment of the following fees associated with this communication or credit any overpayment to Deposit Account No. 50-2127.

Respectfully Submitted,

John H. Thomas
Attorney/Agent for Applicant(s)
Reg. No. 33,460

Date: 6/2/06

John H. Thomas, P.C.
536 Granite Avenue
Richmond, Virginia 23226

Tel. 804 344 8130

CERTIFICATE OF FACSIMILE TRANSMISSION

I hereby certify that this paper is being facsimile transmitted to Examiner Charles R. Kyle at the Patent and Trademark Office at facsimile number (571) 273-8300, on the date shown below.

John H. Thomas

Date: 6/2/06